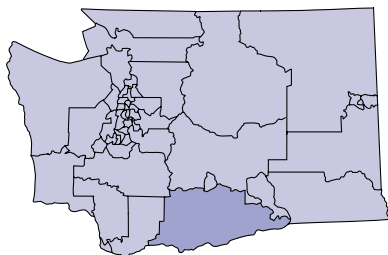


Washington State Senator

Jim Honeyford

2002 Legislative Session Update



A report to the people of the 15th Legislative District, encompassing Yakima, Benton, Klickitat and Skamania counties.

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- Senate Environment, Energy & Water Committee
- Senate Labor, Commerce & Financial Institutions Committee
- Senate Ways & Means Committee
- Joint Executive-Legislative Water Policy Group

February 2002

Dear friends,

Greetings from Olympia. It has been a few weeks since the 2002 legislative session began here on January 14. Session is scheduled to last 60 days. Whether the Legislature finishes its work and adjourns by then depends on how it addresses some important issues, such as the budget crisis, transportation problems, and the state's worsening economy.

This newsletter provides you with an update on what is happening with the budget and with potential water legislation. If you have questions or comments about the issues discussed in the newsletter, please share them with me.

Because of the recently redrawn legislative boundaries by the state Redistricting Commission, our 15th Legislative District soon will look different. The district is moving farther west along the Columbia River Gorge, stopping just east of Washougal.

However, the district no longer will include a portion of Benton County. This part of the district will be included in the 8th and 16th legislative districts.

I am very disappointed that I will no longer represent Benton County. I have enjoyed the people of Benton County and I consider it a privilege and honor to have represented you as a legislator for the past eight years.

The new 15th District is still a rural district, and I will continue to work hard to represent agricultural, water and rural issues. (A map of the new district boundaries is on the back page of this newsletter.)

To my current constituents who live in Benton County, I ask that you stay involved with the issues and continue to contact your legislators after the new district boundaries go into effect. In the meantime, I'm still your state senator for this year, so if you need help with a problem involving state government, feel free to contact me.

Sincerely,



INSIDE:

Budget challenges

Water reform efforts

Transportation debate



Sen. Honeyford, who serves as Senate Republican Whip, discusses legislation and floor strategy with Senate Republican Floor Leader Larry Sheahan of Spokane

Budget goal: fixing a \$1.2 billion hole

The state operating budget currently has a revenue shortfall of \$1.2 billion. Even if we spent every penny in our reserves, we still would be left with a \$750 million deficit.

The budget gap is largely due to our state's slowing economy since last spring. Boeing's massive layoffs since the September 11 attacks have compounded problems for Washington's economy. Since much of our state's revenue is generated by the state sales tax, our revenue situation suffers when our economy suffers.

Over the past 20 years, Washington has had two recessions – 1981-83 and the current downturn. While a serious concern, the current recession isn't as disastrous from a fiscal standpoint. During the 1981-83 downturn, there was a 9.1 percent reduction in state tax revenue from the prior biennium, while the cur-

rent downturn so far has seen only a 0.4 percent drop in state tax revenue. There is no need to raise taxes or cut essential services. Prudent changes can bring the state's fiscal house in order. The real concern is if

"Prudent changes can bring the state's fiscal house in order."

such changes are not made now, then we might truly face an early 1980s-type budget disaster in the 2003-05 biennium.

The ranking Republican on the Ways and Means Committee has offered a money-saving plan that he calls "The RIGHT Approach." It aims to preserve essential services while eliminating unnecessary expenses.

"The RIGHT Approach" includes:

- Reduce employment costs;
- Institute a "best practices" model for medical expenditures;
- Give agency heads authority to contract out where appropriate;
- Help identify and implement administrative efficiencies; and
- Take support costs down to a reasonable level.

We need to find ways to reduce spending that don't hurt services used by vulnerable or needy citizens. For instance, by implementing a hiring freeze for nonessential state services, we could save \$153 million over the next 18 months. Essential agencies and programs would be exempt from the hiring freeze, including everything from children and family services, to schools for the deaf and blind, to mental health institutions. K-12 teachers and higher education professors also would be protected.

We also need to reduce other costs. Over the past five years, out-of-state travel for state workers has grown at nearly nine times the rate of inflation. Training retreats and conferences have risen at four times the inflation rate, and furnishings and equipment purchases have risen three times that rate. If we cut these and other costs to a reasonable level, we could save the state nearly \$300 million.

These are some solutions to resolve the immediate budget problems, but we must work to improve the economy that provides the jobs and the tax base to operate our government. This must be a bipartisan effort. In order to improve the economy, we hope other legislators will join us in legislation that will assist business and agriculture.



Water reform efforts slowly continue

Last year, the Legislature passed one of the most important water reform bills in decades. However, there is more work to do on this very important issue for the 15th District.

For the past few months I have met with other legislators and members of Gov. Locke's staff as part of the state Joint Executive-Legislative Water Policy Group.

Our meetings are ongoing, but progress has been slow. In January, the group completed a draft of recommendations for a possible bill, and work continues on this highly important issue.

One of the key objectives of the policy group is to set instream flows for fish. Some policy group members are worried that if the Legislature doesn't address this issue, the National Marine Fisheries Service will impose tough restrictions on instream flow levels to protect fish.

While I understand the need for instream flows, I'm concerned with how this objective might be

achieved. It possibly could abandon Western water law, which follows the rule of "first in time, first in right." If this happens, many farmers and others depending on water would be severely affected.

Besides setting instream flows, other issue objectives for the water policy group include:

- Provide flexibility for municipal water systems;
- Settle the use-it-or-lose-it problem (relinquishment); and
- Funding for storage and safety of water supplies.

The water policy group's current draft plan proposes new revenue consisting of a water utility surcharge of \$2 per month per household. These funds would be used to leverage and match federal funding. The policy group was looking at the following allocation of new funds for water infrastructure:

- 35 percent for safe drinking water/conservation/water reuse;
- 15 percent for agricultural water supply efficiency and instream flows;
- 35 percent for water storage and conveyance;
- 7.5 percent for water acquisition for fish; and
- 7.5 percent for implementation of watershed plans.

Transportation question: whether to place funding plan on ballot

Transportation remains a serious issue for the state, especially in the central Puget Sound area where congestion is the second worst in the nation. These congestion problems even affect our own region's agricultural industry because it takes longer for products to reach ports and markets in Seattle, Tacoma and other Puget Sound cities.

In December, Gov. Locke unveiled a transportation revenue package that was nearly identical to the one he introduced during the special legislative session last July. The key element in his plan is a 9-cent gas tax hike that would be implemented over three years. Once complete, it would raise the state gas tax from 23 cents per gallon to 32 cents per gallon.

However, many legislators (myself included) don't want to see a state gas tax increase until the current transportation system is made more efficient. While the Legislature enacted two new laws last year that will make this system more efficient and cost-effective, additional improvements are needed.

I also believe that any transportation funding plan passed by the Legislature should then be placed before Washington voters for their approval or rejection. In

recent years, voters have made it clear that they want to vote on proposed tax increases. We should let voters decide if we're going to raise the gas tax.

Just before session began, Senate Republican Leader James West from Spokane called for the Legislature and Gov. Locke to approve a transportation funding package by Jan. 25

so it could be placed before Washington voters in a special election on March 12. The goal is to let voters have a say on this important issue as soon as possible. If voters approved it in March or later in the spring, then funding would be available for several road projects during the summer construction season. However, some key legislators want the Legislature to solely address the funding issue. (When this newsletter went to the printer, this issue was unresolved.)



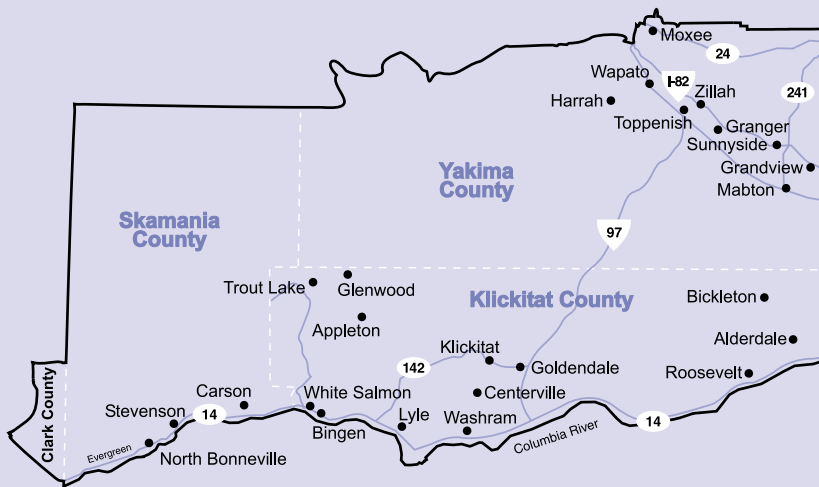


Senator Jim Honeyford *2002 Session Update*

Emily Gonzalez, a junior at Sunnyside High School, served as a Senate page during the first week of session. Emily was sponsored by Sen. Honeyford.



Proposed new boundaries of the 15th Legislative District



Senator Jim Honeyford

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